



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D.C. 20548

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B-213283

October 31, 1983

To the President of the Senate and the  
Speaker of the House of Representatives

On October 3, 1983, the President's first special message for fiscal year 1984 was submitted to the Congress pursuant to the Impoundment Control Act of 1974. The special message proposes twenty deferrals totalling \$1,924,778,000. Our report follows.

FUNDS APPROPRIATED TO THE PRESIDENT

D84-1      Appalachian Regional Development Programs  
            Amount deferred: \$10,000,000  
            11X0090

The special message states that the funds will be deferred for part of the year until needed for costs associated with closing down the Appalachian Regional Commission. The President has sought termination of the Commission each year since fiscal year 1981; his current proposal is to terminate it as of September 30, 1984. However, Congress has not approved termination of the Commission.

DEPARTMENT OF AGRICULTURE

D84-2      Forest Service  
            Timber Salvage Sales  
            Amount deferred: \$6,211,416  
            12X5204



122848

D84-3      Forest Service  
            Expenses, Brush Disposal  
            Amount deferred: \$42,674,154  
            12X5206

DEPARTMENT OF COMMERCE

D84-4      National Oceanic and Atmospheric Administration  
            Promote and Develop Fishery Products and  
            Research Pertaining to American Fisheries  
            Amount deferred: \$33,600,000  
            13X5139

027192

DEPARTMENT OF DEFENSE - MILITARY

D84-5 Military Construction  
Amount deferred: \$414,597,406  
213/72050  
212/62050  
172/61205  
573/73300  
572/63300  
571/53300  
570/43300  
973/70500  
972/60500  
971/50500  
213/72085  
573/73830  
173/71235  
97X0804

Of the funds reported as deferred in the Air Force military construction account, \$91 million appropriated in fiscal year 1983 (573/73300) was rescinded by the 1984 Military Construction Appropriation Act, Pub. L. No. 98-116 (October 11, 1983).

D84-6 Family Housing, Air Force  
Amount deferred: \$53,000,000  
573/70704

DEPARTMENT OF DEFENSE - CIVIL

D84-7 Wildlife Conservation  
Army, Navy, Air Force  
Amount Deferred: \$776,775  
21X5095  
17X5095  
57X5095

DEPARTMENT OF ENERGY

D84-8 Office of Assistant Secretary for Nuclear  
Energy, Deputy Assistant Secretary for  
Uranium Enrichment  
Uranium Supply and Enrichment Activities  
Amount deferred: \$130,000,000  
89X0226

The special message omitted the total amount of budgetary resources in this account (\$2,259,905,000).

DEPARTMENT OF HEALTH AND HUMAN SERVICES

D84-9 Office of the Assistant Secretary for Health  
Scientific Activities Overseas  
(Special Foreign Currency Program)  
Amount deferred: \$6,463,119  
75X1102

D84-10 Social Security Administration  
Limitation on Administrative Expenses  
(Construction)  
Amount deferred: \$10,571,000  
75X8704

DEPARTMENT OF THE INTERIOR

D84-11 Minerals Management Service  
Payments from Proceeds, Sale of Water  
Mineral Leasing Act of 1920, Sec. 40(d)  
Amount deferred: \$48,052  
14X5662

DEPARTMENT OF STATE

D84-12 Bureau of Refugee Programs  
United States Emergency Refugee and  
Migration Assistance Fund, Executive  
Amount deferred: \$37,928,000  
11X0040

D84-13 United States Bilateral Science and  
Technology Agreements  
Amount deferred: \$2,000,000  
19X1151

DEPARTMENT OF TRANSPORTATION

D84-14 Federal Aviation Administration  
Facilities & Equipment (Airport &  
Airway Trust Fund), FAA  
Amount deferred: \$1,083,268,426  
69X8107  
690/48107  
691/58107

692/68107  
693/78107  
694/88107

DEPARTMENT OF TREASURY

D84-15 Office of Revenue Sharing  
State and Local Government Fiscal  
Assistance Trust Fund  
Amount deferred: \$56,149,528  
20X8111

D84-16 Office of the Secretary  
State and Local Government Fiscal  
Assistance Trust Fund  
Amount deferred: \$15,209,349  
20X8111

PENNSYLVANIA AVENUE DEVELOPMENT CORP.

D84-17 Land Acquisition & Development Fund  
Amount deferred: \$13,148,000  
42X4084

RAILROAD RETIREMENT BOARD

D84-18 Milwaukee Railroad Restructuring Administration  
Amount deferred: \$85,000  
60X0108

TENNESSEE VALLEY AUTHORITY

D84-19 Tennessee Valley Authority Fund  
Amount deferred: \$7,000,000  
64X4110

UNITED STATES RAILWAY ASSOCIATION

D84-20 Administrative Expenses  
Amount deferred: \$2,050,000  
98X0100

The United States Railway Association (USRA) is required by law to complete its final determination whether Conrail has been profitable as soon as possible after November 1, 1983. According to the Office of Management and Budget (OMB), this deferral of funds will not affect USRA's ability to perform

"its remaining function," presumably referring to the profitability determination. However, the profitability determination is not USRA's sole remaining function. To the contrary, USRA is authorized generally to monitor Conrail's financial performance and has a role in evaluating the Secretary of Transportation's efforts to sell Conrail as a single entity. In carrying out its monitoring function, USRA has issued various reports, including an annual Conrail performance report, a report comparing Conrail with its major railroad competitors, and an evaluation of Conrail's forecasts and budgets.

In the 1984 Department of Transportation (DOT) Appropriation Act, Congress provided an additional \$2.5 million for USRA. (The Administration had not submitted a budget request for USRA.) The legislative history indicates that the funds were appropriated in the expectation that USRA would continue its general monitoring and evaluation activities in fiscal year 1984, as well as perform the final profitability determination. See H.R. Rep. No. 246, 98th Cong., 1st Sess. 96-97 (1983); S. Rep. No. 179, 98th Cong., 1st Sess. 93 (1983). According to the Chairman of USRA, as a result of the deferral USRA will be unable to carry out all the activities expected by Congress, as reflected in the legislative history of the 1984 DOT Appropriation Act, in a timely or effective manner.

The special message indicates that the deferral arises under the Antideficiency Act, 31 U.S.C. § 1512, which authorizes the establishment of reserves "to provide for contingencies" or "to achieve savings made possible by or through changes in requirements or greater efficiency of operations." We disagree. It is clear that the deferral is the result of a policy decision to curtail USRA's activities in fiscal year 1984; the deferred funds do not represent a reserve for contingencies or "savings" within the meaning of the Antideficiency Act.

We will continue to monitor the status of funding for USRA. Neither OMB nor USRA has yet calculated how much will be required to maintain USRA at the 14-member staff level intended by OMB. As a result, OMB officials have stated that some of the deferred funds may be made available to USRA to support the 14 staff positions. However, the special message appears to assume that, after completing the profitability determination, USRA will phase down its activities in preparation for "going out of business." If that remains the President's intention, once it is determined how much will be

required to support 14 staff members, any remaining funds should be proposed for rescission.

We have reviewed the first special message. Except as noted above, we have identified no additional information that would be useful to the Congress in its consideration of the President's proposals and we believe that the proposed deferrals are in accordance with existing statutes.

*for Milton F. Acosta*  
Comptroller General  
of the United States